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**2 TDC CST ACC (S)**

**2 0 1 4**

**COMMERCE**

**( Cost Accounting )**

**( Speciality )**

Full Marks : 70

Pass Marks : 28

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

1. (a) Define Cost Accounting. How is Cost Accounting different from Financial Accounting? 4+10=14

*Or*

- (b) Explain in brief the different methods of costing. How are costs classified under Cost Accounting? 7+7=14

2. (a) From the following information, prepare a statement showing how the issues would be priced, if LIFO method is followed :

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1.2.2013—Opening balance 100 units at ₹ 100 each  
 2.2.2013—Received 200 units at ₹ 150 each  
 3.2.2013—Received 300 units at ₹ 160 each  
 4.2.2013—Issued 400 units to job A  
 6.2.2013—Issued 120 units to job K  
 7.2.2013—Received 400 units at ₹ 110 each  
 10.2.2013—Issued 200 units to job B  
 11.2.2013—Received 300 units at ₹ 140 each  
 13.2.2013—Received 200 units at ₹ 150 each  
 17.2.2013—Issued 400 units to job D

Or

- (b) What do you mean by material control? Explain the importance of material control in a modern manufacturing concern.

6+8=14



3. (a) From the following data, calculate total monthly remuneration of three workers X, Y and Z :

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- (i) Standard production per month per worker 1000 units
- (ii) Actual production of the month :  
X—800 units, Y—700 units and  
Z—900 units
- (iii) Piece work rate per unit of actual production is 15 paise
- (iv) Dearness Allowance ₹ 40 per month (fixed)
- (v) House Rent Allowance ₹ 20 per month
- (vi) Additional production bonus @ ₹ 5 for each percentage exceeding 75% of actual production over standard

Or

- (b) Define labour turnover. Explain the causes of labour turnover. How are accounting entries recorded for abnormal loss due to labour turnover?

4+6+4=14

4. (a) The following expenses were incurred annually in respect of a factory having eight machines of similar nature :

- (i) Lighting for the factory—₹ 1,600
- (ii) Supervision—₹ 1,800
- (iii) Repairs—₹ 4,800
- (iv) Rent and Rates—₹ 8,000
- (v) Attendants : Two persons looking after eight machines paid @ ₹ 120 per month each
- (vi) Interest paid on loan—₹ 4,000
- (vii) Power consumed for the shop at 20 paise per unit—₹ 19,200
- (viii) Depreciation per machine—₹ 600
- (ix) Sundry supplies for factory—₹ 480
- (x) Each machine consumes 10 units of power in an hour

Calculate machine hour rate.

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Or

- (b) Define factory overhead. How are overheads classified? Explain in brief.

4+10=14



5. (a) The following data are extracted in respect of a contract for the year ended 31st March, 2013 from the books of a contractor :

|                       | ₹      |
|-----------------------|--------|
| Material issued       | 60,000 |
| Store purchased       | 10,000 |
| Wages paid            | 45,000 |
| Engineer's fees paid  | 8,000  |
| Direct other expenses | 12,000 |
| Overhead charges      | 18,000 |
| Supervisor's salary   | 24,000 |
| Hire charges of plant | 15,000 |

The amount of contract price was ₹ 15,00,000. Value of work certified ₹ 2,10,000; cash received from contractee ₹ 1,89,000; cost of work uncertified ₹ 12,000.

Draw up the Contract Account. Ascertain the portion of profit to be taken to Profit and Loss Account and the value of work-in-progress.  $9+3+2=14$

( 6 )

Or

(b) Explain the following :  $4+4+3+3=14$

(i) Process costing

(ii) Reconciliation of Cost Accounting  
and Financial Accounting

(iii) Operating costing

(iv) Joint product and by-product

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